

## MEMO ON ALEE CELLULAR FILE

BELL ATLANTIC

July 21, 1994

I spoke with John Bankston, Esq. on Tuesday, July 19th and discussed with him my concerns regarding the proposed amendment and the build out of the additional 5 sites by Bell Atlantic. I told him that my main concern was the costs for constructing the system. The Agreement had set forth that operating expenses would be paid from net revenues and that if the net revenues were sufficient, that Metromobile or its subsidiary CTS would be granted an option to receive an equity interest in Alee equal to five (5%) percent in consideration of Metromobile now succeeded by Bell Atlantic paying all operating expenses that were in excess of those revenues. I told John that I was particularly concerned by the fact that now they were building 5 additional cell sites and that we had no handle on what these costs were going to be and although the agreements referred to operating expenses they were not too clear on who would be liable for the costs of construction and installation. We discussed that the agreements did refer to Metromobile's paying the instillation costs and the costs of them obtaining equipment and so on, but I told him that I was concerned because of the fact it was not very clear as to their responsibility to paying all costs, and because of the fact that there were multiple sites being constructed at this point that the costs could be quite extensive. I told him I did not want a situation arising whereby Alee was suddenly billed for the costs of construction which were in excess of the net revenues.

John discussed with me several revisions which he was going to make such as the second Whereas paragraph of deleting the sentence starting "or if net revenues are insufficient..." He also stated earlier that the agreement would be terminated based upon a final decision by any governmental authority resulting in our loss of the license.

I advised him to have inserted in the amendment a statement saying that the other agreements would remain in full force and effect except as modified by paragraph 1 of this amendment. I told him our main concern was the letter agreement dated November 19, 1990 which had spelled out that Metromobile would be paying all operating expenses in excess of gross revenues in consideration of our agreement to give them a 5% equity interest in Alee.

I further advised John that there should be a sentence added to paragraph 1 of the amendment to the effect that the sole remedy that Bell Atlantic would have with respect to Alee would be the removal or withdrawal of its equipment as I was concerned that the management agreement had set forth on page 17 that where the net revenues were not sufficient to pay the amounts due Metromobile that Alee would within ten days of receipt of a statement pay

*INTERVIEW'S EXH 6*

Federal Communication Commission

Docket No. 6702-28 Exhibit No. IRG

Presented by Evans

Disposition

Identified

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Received

Rejected

Reporter

Howard

Date

10/23/62

Metromobile such monies as were due it as were not paid out of net cash revenues. I told John that I was concerned that if the construction costs exceeded net revenues and suddenly the license was terminated by a final decision, that I didn't want to have the Alee partners subject to being called upon to pay these excess costs to Bell Atlantic. Accordingly, I wanted some type of sentence added to the Amendment while not highlighting this problem to confirm that the sole remedy of Bell Atlantic would be the withdrawal of its equipment so that they would have no right to go against the Alee partners for any amounts incurred by Bell Atlantic in the construction of these systems or the operation of these systems which were not covered by net revenues. The letter agreement of November 19th sets forth in no uncertain terms that the operating expenses are covered by that grant of an option to receive an equity interest in Alee and I wanted to be certain that construction costs were covered by that same equity option.

J